

Exhibit C

**AGENDA
ITEM
NO. 1**

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
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CATHERINE S. WEST
Executive Officer

**MINUTES OF
LOCAL AGENCY FORMATION COMMISSION**
Approved February 24, 2003

Regular Meeting, Monday, January 27, 2003, at 4:00 p.m.
Board of Supervisors Chambers
County Courthouse, Salinas, California

The meeting of the Monterey County Local Agency Formation Commission (LAFCO) was called to order by Vice-Chair Johnsen at 4:00 p.m. in the Monterey County Board of Supervisors Chambers. Vice-Chair Johnsen led the Pledge of Allegiance.

ROLL CALL

Members Present

Commissioner Caballero (*City Member*)
Commissioner Caballero (*City Member*)
Commissioner DiMaggio (*Public Member*)
Commissioner Johnsen, Vice-Chair (*County Member*)
Commissioner McGowan (*Special District Member*)
Commissioner Perkins (*Special District Member*)
Commissioner Darington, Alternate (*Public Member*)

Members Absent:

Chair Smith (*City Member*)
Commissioner Gourley, Alternate (*City Member*)
Commissioner Leavy, Alternate (*Special District Member*)
Commissioner Armenta, Alternate (*County Member*)

Staff Present

Catherine S. West, LAFCO Executive Officer
Kristina Berry, LAFCO Analyst
Dennis LeClere, LAFCO Counsel
Nancy Buck, LAFCO Clerk

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Presentation on Proposed Sphere of Influence Update for City of Greenfield

The Executive Officer gave a presentation on the sphere of influence update from the City of Greenfield, indicating that staff is processing the City's request and will be coordinating the effort with the City's General Plan Update and environmental document. Commissioners Calcagno and Perkins noted the City's sphere should not extend north of Thorne Road or beyond the location of the proposed Yanks Air Museum. The City representatives did indicate that they are not proposing growth areas north of Yanks Air Museum. Commissioner Calcagno also noted that any development east of the city should occur closest to Highway 101 first, and move eastward in an orderly fashion. Commissioner DiMaggio noted that new changes in the law may preclude a sphere of influence form containing any Williamson Act land, and that this be taken into account when developing the sphere. Commissioner Perkins indicated that we need to be very careful about how we define and preserve our agricultural land. At the end of the presentation and comments the Commission voted to receive the report.

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Transcript - LAFCO meeting, January 27, 2003
"Presentation on Proposed SOI Update for City of Greenfield"

West: Thank you Madame Chair and Commissioners. Before you, you have a staff report with a map that was presented by the City of Greenfield indicating their anticipated sphere of influence and growth area. You also have pertinent sections of the Cortese-Knox-Hertzberg Act relating to spheres of influence and the city/county growth agreements that are necessary before we can make any changes to the sphere as well as the particular requirements of individual service review studies that we'll have to do that will also have to be done before a sphere of influence can be amended. In addition, attached is a letter to the Executive Officer and the Commissioners regarding comments from Gary Patton at LandWatch about the sphere of influence process. In addition his letter includes an attached letter that he presented to the City of Greenfield during their previous hearings. Essentially, staff would like to bring this matter before the Commission for your information, to let you know what we do have at hand. Currently, we have a sphere of influence amendment request from the City of Greenfield. They are very anxious to get started on our process to amend their sphere of influence. To correct something that went out in error, staff actually sent out a letter, and I inadvertently indicated that there was an environmental impact report already prepared on this issue, and there is not. That was brought to my attention by Gary Patton in his letter. To clarify the issue, we do have the sphere request in the LAFCO file at the present time. We are beginning to work with the city and analyze how we're going to process that sphere of influence update. As the Commission knows, before a sphere can be approved we need to do a service review. And in terms of a sphere of influence amendment with a city, the city and the county are required to meet and try to come to some agreement on the proposed growth area. As background to that, some of the city mayors as well as the supervisor commissioners that are on the dais today, are aware of the city/county growth discussions that have been ongoing. It is likely that those kinds of discussions will come to some conclusion before the sphere of influence is actually adopted, at least under the current timing that we are looking at. The City of Greenfield at the staff level has indicated that they're hoping to revise their sphere of influence and complete an environmental document at their end sometime within the next nine months. What LAFCO intends to do is to work with the city in that process to make sure that any of the concerns that LAFCO has in terms of growth areas, agricultural preservation issues, housing issues, and policies that the commission has, are adequately addressed in that environmental document so as to have LAFCO be able to use that document and not have to reinvent a new document for the LAFCO study. So we've already begun discussions with respect to that, and they seem very positive at this point. We're going to begin this, there has been concurrence from the county staff level and the city staff level that even that our law, as you'll see by the attachment, indicates that the city and the county should try to come to some agreement 30 days prior to such a request coming in before LAFCO. It looks like what will be the most expedient process to do is to have LAFCO proceed with a preliminary evaluation

of the sphere, much in the same vein as what the commission policy that was adopted in December indicates. And that then provides for an additional public hearing process, and community forums, and so forth, about this process as we go through down that road. It's likely that we'll be gathering some preliminary information that will then be used between the city and the county as a basis for their growth discussions, which hopefully will then build off of any agreements that come between all of the valley cities and the county as we proceed. And it is likely, although it's not fully determined yet since the outcome of the city/county growth discussions is not known. It is likely though that we may end up having an individual agreement with the City of Greenfield as we proceed with this sphere of influence request. So what we're looking at is bringing sort of this combination of what the city/county discussions will be as well as what this preliminary information will be, and bringing that to the Commission in terms of a noticed public hearing. We'll actually get public comment and have the City and LAFCO make the presentation on the direction that the sphere of influence amendment is heading. At the present time, LAFCO staff has solicited RFQ's and will be preparing proposals for consultants to do additional work in the next couple of months with respect to this preliminary analysis. And that will then give us our basic framework in which to begin outlining the sphere study. We've also developed a preliminary listing of what a sphere of influence study ought to contain, what the service review information ought to contain, and we will probably be engaging consultants for various and sundry parts of those studies. So the Commission then, we will be informing the Commission as we go through each of the various processes and will be glad to take in any and all public comment that comes through. Some of the issues that surround the City of Greenfield sphere, as cooperatively as we are all starting out here, is the fact that we do have directional growth, we do have agricultural conservation easement and buffer issues, we have the need to determine what kind of housing for various income groups as already exist, and what would be planned in the future city area, we have the water demand issues, we have the capacity of the sewer and water system issues, all of which will have to be coordinated and described in detail as to how these things will get improved as we go through with additional growth plans. One of the things that the Commission has heard before and that we've stressed to the City again and again is that we're very interested in seeing comprehensive planning and a comprehensive annexation process, where we are not looking at individual 10-acre or less lots, where we're looking at a broader area where we can easily determine the agricultural/urban interface and where we can basically plan for things other than just houses. So in light of that, and the fact that Greenfield has done some initial analysis but they're basically proceeding with a new study, we're trying to time all of our work to coincide with that. And it would be likely that if we can have all of the LAFCO issues addressed in the City's EIR, it's likely that the document then could be used for LAFCO purposes and we would hope to somewhat concurrently have the City establish a general plan update and then have LAFCO establish the sphere of influence. That pretty much describes what we'll be doing in terms of this, and again we'll be refining this process as we come forward. The first stage will be

the preliminary information with the input from the city/county growth discussions. We'll have a public hearing at which to gather more input, and then we'll outline all of the details on how to complete that sphere of influence and what kind of timeframe that ought to occur. That concludes staff presentation at this point. Thank you.

Johnsen: Very comprehensive, and it certainly is aimed at the process and making sure that the process is neither duplicative nor self-defeating and that all of the irons are in the fire, which are considerable in something as big as this and as important as this for a lot of people.

West: Madame Chair, excuse me, I would like to make a comment that it is fairly evident I think in the staff report, but one of the things that has happened so far is that LAFCO to date has not essentially stopped the processing of individual annexation applications, even in light of the fact that we are needing to go forward with the sphere updates. The City of Greenfield currently has two applications on file with LAFCO. One is for the Walnut Place Annexation for the CHISPA housing project, and Kris if you could point that out on the map that would be probably beneficial for those who don't know. And if we could get that little red dot right there in the corner north of Walnut, just next to the city limits. And then the other would be a subdivision for Bob Thorpe which consists of 100 acres and 10 acres of which is in the sphere of influence and the other 90 acres which are not in the sphere of influence and would require a sphere of influence amendment. So any comments the Commission may have on that would be appreciated. Thank you.

Johnsen: OK, thank you for giving us an overview and understanding of that. Now my understanding of the presentation today is the intent is to at least give the Commission a heads-up, make sure that there are comments, we are not taking action today, but we are certainly receiving a report that also includes not only the physical maps but also a sense of the process that would be engaged in over a period of time. And with that then, let me ask if there are any preliminary questions from members on the dais before I go out to the public. Everybody is pretty quiet on the dais. Any member of the public wishing to address us on this issue please come forward, state your name for the record, the podium is over on the far side. We have our first customer. Our first client.

McClain: Good afternoon. Mark McClain with the City of Greenfield. I'm just here to answer any questions the Commission may have and would like to thank the Commission in advance for taking the time to look at this project. We look forward to having an open channel of communication with LAFCO as we're preparing the EIR for this project. So, if there's any questions, I'd be more than happy to answer them.

Johnsen: Well, thank you very much. We appreciate that offer, and the LAFCO commission is engaged in being as open and understanding of the process and of

the people's needs as possible. So, you can count on us for keeping that dialogue going. Is there anyone else? Seems like there's nobody else on this particular issue. Bringing it back to the dais, any comments now, or questions? Yes.

Calcagno: Well, I'm sure former Supervisor Perkins and I have both probably got some questions. I think we're, at least I'm, pretty comfortable with the map until I get to the northern end. And I think we've pretty much had agreement until I see this on today that we're going to run into Yanks, and then we were going to go on Thorne Road and that basically was it. We're butting into preserve land and we're going into Williamson Act land, and now really I don't think we ever discussed going beyond the Yanks Museum. And by taking and coming around Yanks and circling Yanks, you're going beyond what the agreement was when we basically made the Yanks agreement. The Yanks was going to be that that was going to be it. What you're doing is going around what development on the north end of it and looping around and surely that's going against our original agreement on that end. So Thorne Road there is I think pretty much where we agreed that you were going on the north end. Isn't that correct? Yes, and I see on the map there, I don't know who put that together but I've never seen this before. The other thing is that I know when we were discussing with the County staff and we were discussing that Second Street as being the boundary on the east side because we didn't want to get down into the river and we thought that's as far as we basically safely could go with development. But for viable agriculture we'd like to see the 200-foot buffer that it would fit on that one and it would also serve some other purposes for the City. But then I think we have sort of an agreement that development would start as close to Highway 101 and then move east, that we wouldn't start working on the east end and move inland because that then blocks the land that would find themselves sandwiched between growth on both sides and would be very difficult. And if we're going to leave this much ground in the sphere of influence it would probably grow so you wouldn't have to come always before this body. I think that's pretty well got to be spelled out, that we start at the center by Highway 101 and then we move east with our developments, not start on the east end and then infill. And except as you go down blocks, and I understand that with some of the developments that you've got coming forward that you're going with a whole section down. That's pretty much it. It's obvious that we've got a permanent easement on the east side, and sort of a flexible one on the west side, and that's going to give the staff something to work on when you do buffers, that you're really working two types of buffers. And then we have the same situation on the south and north where we need the permanent. But it's all pretty much, the exception of surrounding Yanks and not making Thorne the last development line, that's the only shock I see here today.

Johnsen: OK, I just have to make sure that you remember which hat you have on; whether you have the LAFCO hat or the County Board of Supervisors hat, or exactly what, because obviously the references you had to some of the expectations were built on some of the sign-offs with the County between the

County and the City, the other pieces some of them are mixed in with some of the...

Calcagno: Now you're getting it on record.

Johnsen: OK, I just wanted to make sure. That's good. Moving down the dais. Yes please.

Perkins: I certainly concur that, and I would like to on the northeast, that Williamson Act land that was discussed with the Yanks Air Museum, as I understand that is Williamson Act but is also in a different control than the County and the State. I think that when that comes back to us it should point that out so that the public knows what the time frame is. I would prefer that line just exclude that piece and go up around the Yanks Museum and come out and go out Thorne Road. Now if the City feels they need some on the west side of the community to change their proposed sphere, so be it, but I also concur that we should not be moving north south up and down the valley in and around the City of Greenfield.

Johnsen: OK. All right, took that as notes. Moving on this side of the dais, do you have a comment?

DiMaggio: Yeah, I have a question for staff I think. The two Williamson Act piece lands on the east side, has non-renewal been filed on those? Northeast, what you're proposing to incorporate in the sphere, north of Thorp?

Johnsen: No.

DiMaggio: North of the Thorp property?

Johnsen: Thorne or Thorp?

DiMaggio: Thorp, the Thorp property, which stops at Walnut.

Tad Stearn: Madame Chair, members of the Commission. My name is Tad Stearn, I'm with PMC, I'm a planning consultant for the City of Greenfield. To answer your question Mr. DiMaggio, we don't know at this point whether those have filed for non-renewal or not. We certainly can find that out. And as long as we're talking about it, I just wanted to clarify one thing regarding the map itself. The outside line, the dashed line, was a study area line that the City was looking at, looking beyond the 20-year general plan horizon, where within which the City might want to just monitor what other development proposals within the County are taking place there, monitor agricultural preservation within those areas, but those are not within the sphere of influence line. The sphere of influence line...

Johnsen: It's a planning area.

Stearn: The sphere of influence proposes is the red line, and at this time that is the line where the City is looking at growth projections, land uses that would occur within there. We don't anticipate any other change in land use within the black boundary, between the red and the black.

Johnsen: That's interesting. I'm glad that you put that clarification on record. It might not have been as clear as even the presentation might have been as clear to the Commissioners. But the planning area is a little different from an actual request for sphere of influence changes and so forth, so it does make some sense. Yes.

DiMaggio: I have a couple more questions. Tad, you're showing the proposed sphere at 1650 acres, do you have a number just for relativity, do you have a number on what the existing city limits are in terms of acres?

Stearn: The existing City limit as of the 2000 census was 1,088 acres. The 1650 acres of the sphere is in addition to that. It's the area outside.

DiMaggio: Right. So this is just a general curiosity question. Why did you choose, well maybe Commissioner Calcagno can answer this because there was an agreement, but what was the decision for not stopping at the north side of the Thorpe property, and I'm at the east side now, at Walnut and kind of jogging in to the west, avoiding that one Williamson Act piece that's immediately adjacent to Mr. Thorpe's property, kind of coming up, I don't know if that would be first or not, I can't tell. And then picking up more land on the west side, which is obviously less valuable land.

Stearn: Actually we looked at a couple of different proposals. If you'll recall from some of the workshops there was one sphere proposal actually much larger than the one that's proposed here. What we tried to do was look at some logical boundaries and some parcel lines. None of this is set in stone at this time. I know there's discussion about maybe expanding the area to the west where the land is less valuable and there are fewer constraints out that way. We'll certainly take any comments into consideration as we adjust this line before you and you'll see it again.

DiMaggio: I have a question for counsel. With the new laws, what are the implications of them proposing to take in two pieces that are now in the Williamson Act that they don't know whether non-renewal has been filed yet.

LeClere: Madame Chair, you'll have to clarify that question because I'm not sure what you're referring with regard to the changes in the new law and how that would effect Williamson Act, if you can clarify that.

DiMaggio: Well, it was my understanding that some of the most recent changes to the law had some prohibitions against taking in Williamson Act land into spheres of influence and I've not read those, but that was my understanding.

LeClere: I'm going to have to defer to the Executive Officer. I'm not aware of any prohibitions in the new law. I'm not saying that they're not there, I'm just not aware of them and therefore I really can't comment at this time but I could certainly look into it.

Johnsen: Yeah, you need to research that. My sense is that that is not a consideration about annexation, it's a consideration of what follows which would be building and any of the other. So those are two different levels or tiers of consideration. But we can get the answer to you and it will be provided to each member on the dais to that. My greater concern is the state's defending of the Williamson Act contract money, which may have a profound implication on exactly what happens to Williamson Act land, which will certainly be a major consideration by the County Board of Supervisors. It may have a tremendous influence on what we see here and what will be happening over the next couple of years, depending on where that money is going to come forth. But I think that's going to have a more profound influence than the law precluding the Williamson Act lands being taken, but I'm not aware of any prohibition. It is what comes in the next stage of people wanting to build on that, and what happens with that consideration. But, I may be wrong too, so we really do need have a legal frame-up for that. Yes.

Calcagno: Yes, surely we're going to have to know where we are there. But for Mr. DiMaggio, the reason Second Street went all the way down is because someday they were going to do development, and that would probably have to be a four-lane road. And then it would give you the change that Thorne run right across and you'd have an overcrossing there that's already in existence. You'd probably need some modification and it would extend Thorne on the east side to hit Second, and so all that development as it would be development would basically have an infrastructure that would carry the capacity. Otherwise you would be doing development in the middle with no place to get your traffic to 101, other than going back conventional routes. That was the reason.

Johnsen: OK, follow-up questions Mr. DiMaggio? Anything else? All right, moving down the dais, anything else? All right. Yes, Alternate Member?

Darington: Yes, I have just one question and that's when do you expect to have the housing element available for review?

Johnsen: OK, that's a legitimate question, and that's the only one that you have, because I'm going to have Mr. Anstine come forward and answer any of the other unspoken questions or earlier questions that didn't get covered. So if you would please come forward and tell us the answers.

Anstine: Certainly, Madame Chair and members of the Commission. Randy Anstine, City Manager, City of Greenfield. To respond to the question regarding the

housing element, let me defer to Tad. He is the principal working on the project for us.

Johnsen: OK, thank you.

Stearn: The housing element was drafted over the last several months. It was taken to the City Council for preliminary approval last meeting, last week. The Council directed staff to make any final changes and send it to HCD for review, and that's where we are in the process. The document will be sent to HCD within the next week to 10 days.

Johnsen: OK, thank you. Mr. Anstine, were there any other questions that came up as we were talking up here, so that you can consolidate?

Anstine: I merely wanted to address and apologize if there's confusion regarding the map. I have been myself and the City of Greenfield has been most appreciative of Supervisor Calcagno for his taking time out of his extremely busy schedule to come out and allow me to drive him around our community. It was our intent, and hopefully the map reflects that, that we were only going to take in that area surrounding the Yanks Air Museum on the most northerly end of the map. We recognize that the Williamson Act property and its value to the community and the county, and so that's why that is excluded. We just wanted to point that out, that that is just strictly the Yanks Air Museum.

Johnsen: Yeah, and that's within your red boundaries that you have there?

Anstine: That's correct.

Johnsen: I think that the clarification that we needed on the dais, which was very important, was the difference between the dashed lines and the red line. And the dashed lines are simply a planning area. I think it's very significant that the City is seeing that there are needs to look beyond 20 years to understand how the community functions, what's the heart life of the community, where it could be. It's interesting that even with those dashed lines on the eastern side you made them coterminous with what you would be asking for in the sphere of influence. And so there is recognition of agreements that have been made or thoughts that have been brought and shared among the parties in the past. But there is a very significant difference between a sphere of influence and your planning area. And that's a very legitimate posture to have. I think in this day and age if we don't take those kinds of positions we just allow the surprise of the fact that the cities are the hub, and that's where the growth is going to be, and that's what people have encouraged. So that when you get a picture of what that looks like, we shouldn't on the other hand say but, but, but, you know. This is the reality of what the picture will be, it may even be as late as 50 years depending on the economy of the state. But at least we understand that we're thinking that far out.

Anstine: Yes. And I think, in closing I would also like to add that preservation of the agricultural land is also very paramount with the Mayor and City Council. It's not only part of the state economy and the county economy, but it's our economy and these are the jobs that employ our residents.

Johnsen: That's a good point to make, and especially the reassurance that your Council is thinking along those lines, that's very important. In fact, you know, the next time that we have something like this as we progress through the process, feel free to have any of them come and visit with us. We like for you to come and speak out and give us a sense of who they are and why they're interested in these things. Their expressions are tremendously important. You do a good job, but it's really nice to see the elected political officials come in as well.

Anstine: As a matter of fact, our Mayor was hoping to be here but as a County employee I'm sure the County probably has him busy.

Johnsen: Oh gee, I walked right into that. Oh dear, I'll have to, give me a heads up next time and I'll make sure that's clear. Thank you very much. Is there any other member of the public wishing to comment on this process, because that's indeed what it is. I think you need to be careful of saying that this is the final position, that there's no alteration. It is one step in a pretty long process, one that will absorb all of us, and we're very please that the city has moved so significantly and is engaging with us on this, because it is important. Anything else, yes.

Perkins: I understand what the City of Greenfield is saying with respect to the future planning area, however when that comes back, and if that line were still to be there, I know that it's a 20 year reach, but I would hope that we could clarify in the language that it is not an entitlement. That just maybe some pie in the sky. Because this Commissioner would be very concerned, I won't be here 20 years from now, but if someone were to come back and say, well but you approved that in 2003, and now we're going to act on it. So I think we need to be very careful how we define and preserve our agricultural land.

Johnsen: Thank you, and you are going to be here 20 years from now, so don't give me that stuff, just don't go there. And you'll be one of the people who'll line up and give us testimony, I know. So, yes, you can sense the constraint of the Commissioners whether they're expressing it under the hat of Supervisors, former Supervisors, members of this Commission. I think what we're expressing is basically a community concern, and there are people who are loathe to move in that direction. You're going to have to think that one through and figure out how you want to present it, and what configuration it takes and how your timelines work. Timelines are probably the next piece that you need to consider along with these boundaries as you decide where you're going. But it's a good process that's laid out for you. Anything else? Seeing nothing else the Chair would appreciate a motion to receive your report.